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**Quebec
Manitou
Mines
Limited**

annual report - 1972

QUEBEC MANITOU MINES LIMITED

OFFICERS

D. L. Marcus President
M. R. Goldhar Vice-President
I. Singer Secretary
A. J. Thomas Treasurer

DIRECTORS

G. R. Cameron Malartic, Quebec
H. E. Clark Montreal, Quebec
M. R. Goldhar Toronto, Ontario
D. L. Marcus Ottawa, Ontario
G. Moreau Montreal, Quebec
R. G. Muscroft Val d'Or, Quebec
A. J. Thomas Ottawa, Ontario

AUDITORS

Deloitte, Haskins & Sells Ottawa, Ontario

BANKERS

Canadian Imperial
Bank of Commerce Ottawa, Ontario

REGISTRAR AND TRANSFER AGENT

Canada Permanent Trust Company Toronto, Ontario

SHARE LISTING

Toronto Stock Exchange Toronto, Ontario

HEAD OFFICE

Suite 2005, 130 Albert Street Ottawa, Ontario

ANNUAL MEETING

11:00 A.M. — 12 June, 1973

Salon Frobisher, Chateau Laurier Hotel, Ottawa

QUEBEC MANITOU MINES LIMITED

REPORT OF THE DIRECTORS

To the Shareholders:

Your directors submit herewith their report together with the audited financial statements of your Company for the year ended 31 December 1972.

The option which was granted to Canadian Jamieson Mines Limited, to purchase the Company's 17½% interest in fifty-five mining claims in Langmuir Township, Ontario, for \$54,000, was not exercised and this option expired on 30 September 1972.

The Company has agreed to participate with Manitou-Barvue Mines Limited in an exploration programme on a group of sixty-four mining claims in the Cabonga Reservoir area, northeast of Maniwaki, Quebec. These claims were caused to be staked in early February to cover several geochemical nickel-copper anomalies. It is planned that an exploration programme on the claims be carried out during the forthcoming summer months on the basis of a 40% participation by Quebec Manitou and a 60% participation by Manitou-Barvue.

On behalf of the Board of Directors,

D. L. MARCUS,

President.

Ottawa, Canada,
27 April, 1973.

QUEBEC MANIT

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BALANCE SHEET A

(with comparative fig

ASSETS

1972

CURRENT ASSETS:

Cash and short-term certificates of deposit	\$ 57,8
Account receivable	2
Investments in marketable securities — at cost (Note 1)	267,7
Other investments	
Total current assets	325,8

OTHER ASSETS — at cost:

Furniture and fixtures	1
Mining properties and rights (Note 2)	193,2
Deferred exploration and development expenditures (Note 3)	561,1
TOTAL	\$1,080,3

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:

Bank loans and accrued expenses	\$ 5
Unclaimed dividends	6
Total current liabilities	1,1

SHAREHOLDERS' EQUITY:

CAPITAL STOCK:

Authorized:

5,000,000 shares without par value

Issued:

3,966,000 shares

Less discount thereon (net)

Retained earnings

Total shareholders' equity

TOTAL

Approved on behalf of the Board of Directors,

D. L. MARCUS, Director.

M. R. GOLDHAR, Director.

The accompanying notes are an integral part of the financial statements.

MINES LIMITED

Corporations Act, Ontario)

DECEMBER 31, 1972

(at December 31, 1971)

1971

\$ 22,971

—
332,206

1

355,178

100

192,268

561,197

\$1,108,743

\$ 30,425

641

31,066

3,966,000

3,143,162

822,838

254,839

1,077,677

\$1,108,743

AUDITORS' REPORT

To the Shareholders of
Quebec Manitou Mines Limited

We have examined the balance sheet of Quebec Manitou Mines Limited as at December 31, 1972 and the statements of income, retained earnings, source and application of funds, and deferred exploration and development expenditures for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1972 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Deloitte, Haskins & Sells
Auditors.

Ottawa, Canada,
April 5, 1973.

QUEBEC MANITOU MINES LIMITED

STATEMENT OF INCOME

1972

1971

For the year ended December 31, 1972
(with comparative figures for 1971)

INCOME:

Interest	\$ 1,578	\$ 3,921
Dividends	120	1,744
Net gains (loss) on disposal of investments	20,574	(76,989)
	<u>22,272</u>	<u>(71,324)</u>

ADMINISTRATIVE AND GENERAL EXPENSES:

Rent, office services and supplies	2,816	3,201
Annual meeting expense	1,873	1,806
Transfer agents' fees	1,507	1,778
Legal and audit	475	1,671
Salaries	12,600	12,600
Travelling	82	279
Directors' fees	350	1,050
Interest paid	345	984
Miscellaneous expenses	676	1,101
	<u>20,724</u>	<u>24,470</u>

NET INCOME (LOSS) FOR THE YEAR	<u>\$ 1,548</u>	<u>\$ (95,794)</u>
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STATEMENT OF RETAINED EARNINGS

1972

1971

For the year ended December 31, 1972
(with comparative figures for 1971)

BALANCE at beginning of the year	\$ 254,839	\$ 355,675
NET INCOME (LOSS) for the year	1,548	(95,794)
	<u>256,387</u>	<u>259,881</u>
Cost of mining claims dropped	—	5,042
BALANCE at end of the year	<u>\$ 256,387</u>	<u>\$ 254,839</u>

The accompanying notes are an integral part of the financial statements.

QUEBEC MANITOU MINES LIMITED

STATEMENT OF DEFERRED EXPLORATION AND DEVELOPMENT EXPENDITURES

	1972	1971
For the year ended December 31, 1972 (with comparative figures for 1971)		
BALANCE at beginning of the year	\$ 561,197	\$ 560,645
Exploration and development expenses	—	552
BALANCE at end of the year	<u>\$ 561,197</u>	<u>\$ 561,197</u>

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	1972	1971
For the year ended December 31, 1972 (with comparative figures for 1971)		
SOURCE OF FUNDS:		
Interest received	\$ 1,578	\$ 3,921
Dividends received	120	1,744
Option payments	—	46,000
Gain on sale of investments	20,574	—
	<u>22,272</u>	<u>51,665</u>
APPLICATION OF FUNDS:		
Administrative and general expense	20,724	24,470
Property option payment	1,000	—
Loss on sale of investments	—	76,989
Exploration and development	—	552
	<u>21,724</u>	<u>102,011</u>
INCREASE (DECREASE) IN WORKING CAPITAL	547	(50,346)
WORKING CAPITAL AT BEGINNING OF THE YEAR	324,113	374,459
WORKING CAPITAL AT END OF THE YEAR	<u>\$ 324,660</u>	<u>\$ 324,113</u>

The accompanying notes are an integral part of the financial statements.

QUEBEC MANITOU MINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS December 31, 1972

1. INVESTMENTS

Investments include 494,452 shares of Manitou-Barvue Mines Limited at a cost of \$259,854 and with a quoted market value at December 31, 1972 of \$237,337 (1971 — 494,452 shares with a quoted market value of \$160,697). Because of the number of shares involved, the quoted market value of the investment in Manitou-Barvue Mines Limited is not necessarily indicative of the amount which would be realized if this investment were sold.

2. MINING PROPERTIES AND RIGHTS

A fixed 17½% non-assessable interest is held in the fifty-five mining claims in Langmuir Township, Ontario, valued at a net cost of \$18,464. The option granted to Canadian Jamieson Mines Limited, until September 30, 1972, to purchase the Company's interest in the Langmuir Township claims, was not exercised.

Twenty-four mining claims in Bourlamaque Township, Quebec, are carried at costs to date, which do not necessarily reflect present or future values, which may be more or less than the amount shown of \$173,804. In consideration of the issue of 40,000 shares of Manitou-Barvue Mines Limited to the Company, an option was granted to Manitou-Barvue Mines Limited until June 30, 1976, and extendable under certain conditions to June 30, 1981, to develop and place into production these Bourlamaque Township mining claims at no additional obligation or expense to Quebec Manitou Mines Limited. Under the option agreement, after Manitou-Barvue Mines Limited is reimbursed for all funds expended by it to bring the property into production, Manitou-Barvue Mines Limited is required to issue to the Company an additional 60,000 shares of Manitou-Barvue Mines Limited. When Manitou-Barvue Mines Limited has received an additional sum of \$100,000, further revenue and interests are to be shared as to 25% by Quebec Manitou Mines Limited and as to 75% by Manitou-Barvue Mines Limited.

3. DEFERRED DEVELOPMENT AND EXPLORATION EXPENDITURES

These costs relate to the mining properties described in Note 2 above.

4. INCOME TAXES

Income taxes have not been provided for as the company has available losses carried forward and deferred exploration and development expenditures in excess of the taxable income for the year.

5. REMUNERATION PAID TO DIRECTORS AND SENIOR OFFICERS

The total remuneration paid to directors and senior officers (as defined by The Business Corporations Act, Ontario) for the year ended December 31, 1972 was \$12,950 (1971 — \$13,650).

